

COLLATERAL TRANSFER AGREEMENT

This COLLATERAL TRANSFER AGREEMENT (the "Agreement") is effective as of _____ and is by and among the Trustee (the "Trustee") of the Charter Oak Trust (the "Trust"), Grist Mill Capital, LLC ("Grist Mill") (hereinafter referred to as the "Borrower"), and Ridgewood Finance II LLC, a Delaware limited liability company (successor in interest to Ridgewood Finance Inc., a Delaware corporation) (the "Lender").

WHEREAS, Lender and Borrower have entered into that certain Line of Credit and Security Agreement on November 22, 2006 as amended by Amended and Restated Line of Credit and Security Agreement dated February 12, 2007 (collectively, the "Credit Agreement", and together with the other documents and instruments executed and delivered in connection therewith, each a "Credit Document" and, collectively, the "Credit Documents"), pursuant to which Lender advanced monies to Borrower in one or more loan transactions (each an "Advance", collectively, the "Advances") for the purpose of providing financing to Borrower to loan sums, pursuant to loan and fee agreements (each an "Assigned Fee Agreement, collectively, "Assigned Fee Agreements") to the Trust;

WHEREAS, the Lender, the Borrower and the Trust entered into a Settlement Agreement dated as of September 30, 2010 (the "Settlement Agreement");

WHEREAS, pursuant to one such Advance, identified as **RWF-6927**, the Borrower loaned money to the Trust secured by that certain life insurance policy issued by **Lincoln National Life** (the "Insurance Carrier") as policy #**JJ-7043080** insuring the life of **Joan Pennington** in the face amount of **\$10,000,000** (the "Collateral") which secured repayment of the money borrowed, fees, interest and other liabilities of the Borrowers and Trust pursuant to the respective Assigned Fee Agreement and Advance;

WHEREAS, each of the Trust and the Borrower wishes to transfer, convey, and assign to the Lender all of the Trust's and/or Borrower's right, title and interest in and to the Collateral, free and clear of all liens, claims, interests and encumbrances, in full satisfaction of the Assigned Fee Agreement and Advance relative to the Collateral,

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1) Transfer of Collateral in Satisfaction of Assigned Fee Agreement and Advance relative to the Collateral. The Trustee hereby voluntarily transfers, conveys, and assigns to the Lender all of the Trust's legal, equitable, beneficial and other right, title and interest in and to the Collateral, and the Trustee and Borrower hereby consent, without any current or future objection of any kind or nature whatsoever, to the Trustee's transfer of and Lender's acceptance of the Collateral. The Trustee and Borrower hereby agree that Borrower shall use its reasonable best efforts to: (i) execute and deliver to the Lender such further instruments and documents, and take such further action, as shall be necessary or desirable to the Lender to accomplish the transfer, conveyance and assignment of the Collateral contemplated hereby and all other purposes, transactions and actions contemplated hereby, and (ii) cooperate with the Lender in its efforts, if any, to sell or

otherwise dispose of the Collateral (any and all proceeds of which, for the avoidance of doubt, will be the property solely of the Lender and of no other party, notwithstanding any provision of the Credit Documents). The Trust and Borrower hereby waive any and all rights under any collateral disposition agreement between the Trust and/or Borrower and the Lender and waive any obligation that the Lender may have to dispose of the Collateral in accordance therewith.

2) Acceptance of Collateral in Satisfaction of the Assigned Fee Agreement and Advance relative to the Collateral. The Lender hereby accepts the full execution of this Agreement and the transfer, conveyance and assignment of the Collateral pursuant to Section 1 above in full satisfaction of the Assigned Fee Agreement and Advance relative to the Collateral.

3) Effect of Transfer and Acceptance of Collateral. It is hereby acknowledged and agreed that, as of the date hereof, the Trust and/or Borrower shall no longer have any right, title or interest in or to any of the Collateral or the proceeds thereof whatsoever, including, without limitation, any benefits payable thereunder.

4) Covenant. The Trustee and Borrower hereby covenant that the Trust and Borrower will not include any of the Collateral in any schedules of assets to be filed in connection with any subsequent petition filed by or against it under Title 11 of the United States Code or any similar proceeding under applicable state or federal law.

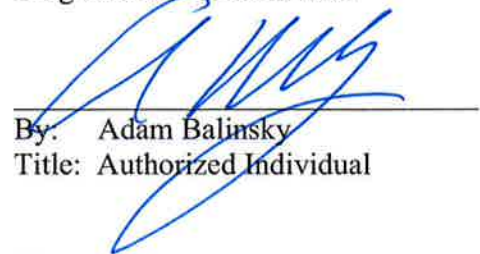
5) Amendment and Waiver. This Agreement may be amended, modified or waived only in a writing signed by the parties hereto.

6) Settlement Agreement Incorporated Herein. The Settlement Agreement is expressly incorporated herein and the terms and provisions thereof are expressly made a part hereof. In the event of any contradiction between any term or provision of the Settlement Agreement and this Agreement, such term or provision of the Settlement Agreement shall control in all respects.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first written above.

Ridgewood Finance II LLC



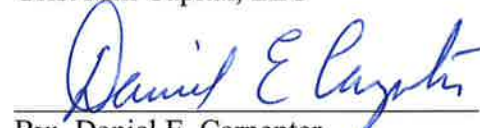
By: Adam Balinsky
Title: Authorized Individual

Charter Oak Trust



By: Wayne Bursey, as Trustee of the
Charter Oak Trust

Grist Mill Capital, LLC



By: Daniel E. Carpenter
Title: Chairman of Managing Member